

JOINT INDUSTRIAL DEVELOPMENT AUTHORITY
Minutes of Meeting
October 24, 2019

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, October 24, 2019, at 3:00 p.m., at the APEX Center, 200 Apex Drive, Wytheville, Virginia.

MEMBERS PRESENT

David Kause, Chairman
Wes Mabe, Vice Chairman
Dicky Morgan
David Carpenter
Charlie White

MEMBERS ABSENT

Michael Cole
Matthew Clarke

EX-OFFICIO MEMBERS PRESENT

Stephen Bear, Wythe County Administrator

EX-OFFICIO MEMBERS ABSENT

C. Wayne Sutherland, Jr., Wytheville Town Manager
Jason Childers, Rural Retreat Town Manager

JOINT IDA STAFF PRESENT

David Manley, Executive Director
John Matthews, Associate Director
Virginia M. Crockett, Administrative Assistant

DETERMINATION OF QUORUM

Chairman Kause called the meeting to order and determined a quorum to be present. He then offered the invocation and led the Pledge of Allegiance.

CITIZENS' TIME

Chairman Kause welcomed Dr. Beth Taylor, Wytheville Mayor; Chris Menerick, Wytheville Town Attorney; Jennifer Atwell, Executive Director - Wytheville-Wythe-Bland Chamber of Commerce; Tim Reeves, Chairman - Wythe County Board of Supervisors; Charles Lester, Member - Wythe County Board of Supervisors; Dr. Scott Jefferies, Superintendent - Wythe County Public Schools, Dr. Becki James, Wythe County Public Schools Assistant Superintendent of Curriculum and Instruction; and Mr. Brad Haga, Wythe County Public Schools Director of Personnel and Human Resources.

Chairman Kause asked if there was anyone who would like to address the Board. There being none, the meeting continued.

SPECIAL GUEST: Scott Jeffries, Ed. D., Wythe County Public Schools Superintendent

Dr. Scott Jeffries presented on the activities of Wythe County Public Schools. He noted that "The mission of Wythe County Public Schools, in partnership with our community, is to ensure students are empowered with the knowledge and skills necessary to meet the challenges of the future." He discussed recent achievements, successes, and the opportunities available for the students at WCPS.

Dr. Becki James also gave a presentation highlighting how WCPS works to maximize internship opportunities, industry credentials, career exploration, business/community partnerships, job shadowing opportunities, 21st century skills, and workplace readiness. Extracurricular programs including arts, athletics, service, and others were discussed including pathways to career and higher education.

There was a brief question and answer session following the presentation.

APPROVAL OF MINUTES—September 2019

Chairman Kause asked if there was any discussion or changes to the minutes of September 2019. Chairman Kause mentioned that the signature line on the minutes showed him as Vice Chairman. JIDA staff will correct the error. There being no further discussion or changes Chairman Kause asked if there was a motion to approve the minutes as amended. Mr. Carpenter made a motion, seconded by Mr. Morgan, to approve the minutes as amended. With no further discussion, the motion passed unanimously.

FINANCIAL REPORTS AND APPROVAL OF INVOICES

Chairman Kause asked if there were any questions or concerns regarding the financial statements for October of 2019. Mr. Carpenter asked about the jurisdictional payments. Staff will bill those during the next month. Chairman Kause asked about the WAZE bill. Mr. Manley explained it is billed according to activity, which was active during this month. It is billed monthly and is targeted to the traveling public near Progress Park. Chairman Kause asked if there was any further discussion and if there was a motion to approve. Dr. White made a motion, seconded by Mr. Mabe, to approve the financial statements as presented. With no further discussion, the motion passed unanimously.

**Joint IDA of Wythe County
Check Register
October 1, 2019 through October 31, 2019**

Check #	Date	Payee	Amount
EFT	10-24-19	Appalachian Power Company	105.71
EFT	10-24-19	CenturyLink	179.49
EFT	10-24-19	First Bank – MasterCard	2,530.87
EFT	10-24-19	Robert G. Moore	1,100.00
EFT	10-24-19	Xerox Corporation	38.54
7661	10-1-19	VOID	
7662	10-1-19	Bill’s Helicopter Service	1,050.00
7663	10-24-19	Town of Wytheville	18,688.38
7664	10-24-19	Wytheville Meeting Center	338.96
7665	10-24-19	Wytheville Office Supply	37.99
7666	10-24-19	Yard Barber	50.00
Total			\$ 24,119.94

STAFF REPORT – ASSOCIATE DIRECTOR

Meetings

Business Services Unit Meeting
 BSU Lunch & Learns - Work Opportunity Tax Credit (WOTC), Bonding Program
 GO Virginia Region 1 Meeting & Subcommittee Meeting
 HVS Economic Activity Meeting
 Jessica Hartness – DHCD Site Rehabilitation Grants
 Project APE
 Project Arrow
 Project Emerald
 Project Panel
 Properties - Commercial Real Estate Agents
 Property Owners
 Property Search Projects
 Revolving Loan Fund Applicants
 Wythe-Bland Young Professionals
 Wythe County Public Schools Foundation for Excellence

Upcoming Events

Workforce Resource Series:
 November 15 – Generations in the Workplace

STAFF REPORTS – DIRECTOR

Executive Director’s Activity Highlights for period ending October 23, 2019

New or Expanding Business Activity

- **Responded to inquiries from**
 - VIAA
 - Local Entrepreneurs
 - VEDP
 - Multiple Prospects

- **Business Contacts and Meetings**
 - Stephen Bear, County Administrator
 - Scott Bortz, Peed & Bortz
 - Josh Lewis, VIAA
 - David Clark, Seven Sisters Brewery
 - Chris Menerick, Town Atty.
 - Stephen Versen, Va. Dept. of Ag. & Forestry
 - Wayne Sutherland, Town Manager – Wytheville
 - Andy Sorrell, Tobacco Region Revitalization Commission
 - Eric Chapman, CowanPerry
 - Aileen Martz, VEDP
 - Pandy Brazeau, VEDP
 - Dan Tolley, Branch Botanicals
 - Connie Long, VEDA
 - Mary Rae Carter, VCEDA
 - Vince Barnett, VEDP
 - Katherine Goodwin, VEDP
 - Randy Shelton, Shelton Management
 - Jamie Smith, Pepsico
 - Matt Temple, Wiffle Pops
 - Scott Jefferies, Wythe County Public Schools
 - Seth Tamme, Gray Construction
 - Shari Brown, JA Street
 - Jim Street, JA Street
 - Tim Kuykendall, JA Street
 - Brian Poe, JA Street
 - Pat Gottschalk, Williams Mullen
 - Sandi McNinch, VEDP
 - Kevin Rotty, PFM
 - Linda Tackett, VSBFA
 - Jeremy Hoard, First Community Bank
 - Jim Grubbs, Skyline National Bank
 - Michael Solomon, Pulaski Co. Economic Development
 - Franky Marchand, Volvo Trucks
 - Steve Willis, Camrett Logistics
 - Rosa Lee Jude, Wytheville CVB

Noteworthy or Other Activities

- Audit
- WC BOS Economic Development Committee
- WC BOS update
- Tobacco Commission meeting
- VEDA Board meeting
- Ongoing discussions with TROF and VDACS for AFID for Project Emerald announcement
- Negotiation for Project Beagle TROF award w/ Town, County, TRRC
- Reviewed and edited minutes
- Reviewed financial reports
- SVAM CoE board of directors
- Credit card reconciliation
- Three prospect meetings on one project including two site visits
- Project APE visit
- Loan Committee meeting
- Commercial prospect
- Incentive and ROI calculations for various projects
- Investigating add'l advertising opportunities
- Among much more

UPCOMING:

- Consolidated Nov.-Dec. meetings on December 5
- Holiday Open House December 12
- Attending Area Development 28th Consultants Forum in Houston
- Vacation use for staff

OLD OR UNFINISHED BUSINESS

REVOLVING LOAN FUND UPDATE

Mr. Manley mentioned that the back page of the financial reports for the revolving loan fund shows the current payment status for all customers. He added that discussion with legal counsel regarding pursuing judgments for delinquent borrowers was ongoing. Counsel expects minimal effort and cost to affect those judgments as the agreements contain a confession for judgment provision. Pursuing collections will certainly prove more challenging. This matter will be discussed more during closed session.

Mr. Manley noted that there were two members of the RLF Loan Committee present, Chairman Kause and Jennifer Atwell. He noted that as the Board was aware the JIDA has been working with the new operators of what was known as Wiffle Pops to help them purchase the business successfully and simultaneously with Wiffle Pops paying off their obligation to the JIDA. He noted that one loan, Wiffle Pops, would be paid off and another loan would be made to Crepe House and Creamery. The members of the loan committee had the opportunity to have a discussion with the prospective new borrowers. Mr. Manley noted that this was the first time that the committee has ever asked borrowers questions and that will more than likely be continued for future applicants. Chairman Kause added that it was good to be able to ask questions of the borrowers face-to-face and not have to depend on translations from the staff. He noted that it was good to get a feel for what the new owners were

planning on doing with the business. Chairman Kause noted that it was nice to know that Wiffle Pops will still be using the facilities to produce their pops in the shop.

Mr. Carpenter stated that the Board did not have a clue, no one knew that Wiffle Pops was closing, no one knows that there is another shop going in. Chairman Kause recapped the recent history, noting that the JIDA was approached by Crepe House and Creamery (incorporated as Newhouse Enterprises LLC) and their intentions were to buy the business from the Wiffle Pops owners, the Temples. Mr. Manley noted that Mr. Newhouse and Ms. Miller (the applicant) have been operating the business for the last year and one-half as Wiffle Pops while incorporating new menu items. Chairman Kause mentioned that the Temples thought that with their increased responsibilities with their church and all their other activities they were unable to give enough attention to the growth or expansion of the business. Simultaneously, Jennifer Miller and Dewey Newhouse felt that there was a good business opportunity.

Mr. Matthews noted that the JIDA has seen an application from them before and one of the requirements that the RLF Loan Committee had was for them to work with the Small Business Development Center. Most of the numbers seen in the application and business plan result from work done with Mandy Archer, SBDC Director.

Dr. White asked if the total cost was \$75,000 and they have requested \$35,000 from the JIDA. He wanted to know what part of the remaining their money and what part are they getting from another lender. Mr. Matthews answered that \$20,000 is their own money and \$20,000 is owner financing through the Temples at two percent over ten years. Chairman Kause added that the committee intended for one loan to close while the other was paid off simultaneously. Chairman Kause mentioned that the net new investment would be under \$3,000. He added that the Wiffle Pops name will remain because they will still be attending the Virginia Tech games, the Wytheville Farmers Market, and other venues. However, the new business will be the food side of the restaurant itself. They have shown plans on how they are going to remodel the business, the building, and double, if not triple, the seating for breakfast, lunch, some catering, and a possible early dinner and make it a restaurant and not just a dessert shop. Mr. Manley stated that they will be retaining nine part-time jobs, retaining one full-time job, and adding another full-time job. Mr. Carpenter asked if they have been operating the business for the past year. Ms. Atwell noted that it was since February. Mr. Carpenter stated that they have been operating the business in a stable manner, Mr. Manley answered, yes (based on financial reports) at approximately 30 percent over the previous year.

Chairman Kause stated that the committee feels that it is a viable business opportunity and also think that it is something that the revolving loan fund should support and the biggest thing is that the JIDA will not have \$67,000 invested in a \$70,000 project because the other loan will be closed.

Chairman Kause asked if there were any further questions, concerns, or discussion. Mr. Manley stated that it was a unanimous vote from the loan committee to fund. Mr. Mabe asked if there was something in the loan documents that prevents them from picking up and moving somewhere else as in the past. Mr. Manley didn't know how that would be enforceable. He noted that since it is a loan, he did not think it could be restricted but that it could be investigated. Mr. Carpenter asked if there was any collateral. Mr. Manley noted that it will be whatever equipment the restaurant has plus personal guarantees from both. Mr. Morgan asked if the equipment changed hands with the business. Mr. Manley answered that it did. Mr. Morgan was looking at the loan documents and asked why the current assets jumped, if it was in anticipation of the loan. Mr. Carpenter made a motion, seconded by Mr. Morgan, to approve the loan with the committee recommendation of closing the other simultaneously. With no further discussion, the motion passed unanimously.

Roll call vote:

Yay – Dickie Morgan

Charlie White
David Kause
David Carpenter
Wes Mabe

Nay - None

AUDIT – JIDA AND CRIFA

Mr. Manley reported that the audit went well and that once the final reports are available, he will invite Corbin Stone from Robinson, Farmer, Cox to one of the JIDA Board meetings to go over the results with the Board. There has been a draft report received for CRIFA and we should be receiving the report for the JIDA shortly.

OTHER

None

NEW BUSINESS

PROJECT UPDATES

Mr. Manley mentioned that all Board members should have received an invitation for a Governor’s Announcement for Project Emerald on October 31. A press release will be going out from the Governor’s office once the announcement has been made. He added the location will be disclosed prior to October 31.

OTHER

None

CLOSED SESSION AS PERMITTED BY CODE OF VIRGINIA §2.2-3711(A)(5); and/or §2.2-3711(A)(7)

Vice Chairman Mabe moved that the Board of Directors of the Joint IDA of Wythe County enter closed session as permitted by the CLOSED SESSION AS PERMITTED BY CODE OF VIRGINIA §2.2-3711(A)(5) [prospective business]; and/or §2.2-3711(A)(7) [probable litigation]

The motion was seconded by Mr. Carpenter.

Roll Call Vote:

Yea – Dicky Morgan
Chairman David Kause
David Carpenter
Wes Mabe
Dr. Charlie White

Nay – None

Absent during meeting: Matthew Clarke
Michael Cole

Mr. Mabe then moved that the Board of Directors of the Joint IDA of Wythe County re-enter open session and further certify that the only matters discussed in closed session were matters permitted and identified.

The motion was seconded by Mr. Carpenter.

Roll Call Vote:

Yea – Dicky Morgan
Chairman David Kause
David Carpenter
Wes Mabe
Dr. Charlie White

Nay – None

Absent during vote: Matthew Clarke
Michael Cole

After return from closed session Mr. Morgan made a motion, seconded by Mr. Carpenter, to pursue judgment on the outstanding in arrears RLF loans as discussed. With no further discussion, the motion passed unanimously.

ADJOURN

There being no other business, Chairman Kause adjourned the meeting at 5:00 p.m. Members were invited to tour the center with staff at the meeting's conclusion.

David Kause, Chairman

Attest:

Virginia M. Crockett, Secretary